

**Harmon Consulting, Inc.**

1732 Camden Pl SW Olympia, WA 98512 360-888-8861

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JUL 23 2004

GAMBLING COMMISSION
COMM & LEGAL DEPT

July 23, 2004

Susan Arland, Public Information Officer
Washington State Gambling Commission
PO Box 42400
Olympia, WA 98504-2400

RE: Rule Change WAC 230-02-205

Dear Ms. Arland:

I was informed earlier this month that one of my clients may be required to license several individuals as service suppliers due to lending money to a company in which they have ownership interests. Their situation is that all the stock of the licensee is held by a corporation where all stockholders interests have been pooled. It would seem the rules should not require licensing of owners that lend money to more than one of the companies 100 percent owned by their holding company.

I believe this is being required simply because the rules are unclear. I have received several interpretations from staff on this rule that clearly stated owners or individuals with ownership interests in a company would not be required to be licensed as a service supplier. This is the case when it comes to being licensed as a card room employee and it should be the same for those that loan money to their own companies.

Please accept this request for rule change and its attached documents in the spirit of reason and practicality. It is my hope that the rules and licensing requirements of the commission be sufficient to protect the public without being redundant. I do not believe there is any value added to the effective regulation of the industry because the commission already has the ability to have the investigation of source of any of these funds paid for by the licensed locations.

Please call me anytime to discuss my request.

Sincerely,

Monty Harmon, President



PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE (RCW 34.05.330)

The Office of Financial Management (OFM) has adopted this form for members of the public who wish to petition a state agency to adopt, amend, or repeal an administrative rule (regulation). Full consideration will be given to a petitioner's request.

To obtain this form in an alternate format, call OFM at (360) 902-0555 or TTY (360) 664-9437.

Please complete the following:

PETITIONER'S NAME (PLEASE PRINT) Harmon Consulting, Inc.		TELEPHONE NUMBER (INCLUDE AREA CODE) 360-888-8861		
STREET ADDRESS	PO BOX NUMBER	CITY	STATE	ZIP CODE
	Box 1787	Olympia	WA	98507-1787
AGENCY RESPONSIBLE FOR ADMINISTERING THE RULE, IF KNOWN WSGC		If unknown, call (360) 753-7470 for mailing information		

Please submit completed and signed form to the "Rules Coordinator" at the appropriate state agency. The agency will contact you within 60 days.

Check all that apply below and explain on the back of this form with examples. Whenever possible, attach suggested language. You may attach other pages, if needed.

☒ 1. **NEW:** I am requesting that a new WAC be developed

I believe a new rule should be developed.

- ☐ The subject of this rule is:
- ☐ The rule will affect the following people:
- ☐ The need for the rule is

☒ 2. **AMEND:** I am requesting a change to existing WAC 230-02-285.

☐ 3. **REPEAL:** I am requesting existing WAC _____ be removed.

I believe this rule should be changed or repealed because (check one or more):

- ☐ It does not do what it was intended to do.
- * ☒ It imposes unreasonable costs.
- ☐ It is applied differently to public and private parties.
- ☐ It is not clear.
- ☐ It is no longer needed.
- ☐ It is not authorized. The agency has no authority to make this rule.
- ☐ It conflicts with another federal, state, or local law or rule. Please list number of the conflicting law or rule, if known
- * ☐ It duplicates another federal, state, or local law or rule. Please list number of the duplicate law or rule, if known
- ☐ Other (please explain):

PETITIONER'S SIGNATURE

DATE

WAC 230-02-205 Gambling service supplier defined. A "gambling service supplier" is any person who provides gambling related services for compensation, whether directly or indirectly.

(1) Gambling related services include at least the following:

(a) Providing consulting or advisory services regarding gambling activities;

(b) Providing gambling related management services;

(c) Providing financing for purchases or leases of gambling equipment or for providing infrastructure that supports gambling operations for more than one licensee in which the lender is not a part of the ownership of the entity. For purposes of this section, financing by any bank, mutual savings bank, or credit union regulated by the department of financial institutions or any federally regulated commercial lending institution shall not be deemed as providing gambling related services;

(d) Providing any other service or activity where influence may be exerted over any gambling activity licensed by the commission;

(e) Providing assembly of components for gambling equipment under a contract with a licensed manufacturer; or

(f) Training individuals to conduct authorized gambling activities.

(2) The term "gambling services supplier" does not include the following:

(a) Universities and colleges that are regulated by the Washington state board of community and technical colleges and the higher education coordinating board which train individuals to conduct authorized gambling activities;

(b) Licensed manufacturers or distributors who service and repair pull-tab dispensing devices, bingo equipment or any other authorized gambling equipment;

(c) Attorneys, accountants, and governmental affairs consultants whose primary business is providing professional services that are unrelated to the management or operation of gambling activities; and

(d) Persons that only provide nonmanagement related recordkeeping services for punch board and pull-tab operators, when the combined total gross billings from such services does not exceed twenty thousand dollars during any calendar year.

[Statutory Authority: RCW 9A.46.070, 00-05-102 (Order 380), § 230-02-205, filed 2/16/00, effective 7/1/00; 98-19-133 (Order 361), § 230-02-205, filed 9/23/98, effective 1/1/99; 97-24-031, § 230-02-205, filed 11/25/97, effective 1/1/98.]